

FIVE REASONS CONGRESS DOESN'T NEED TO RAISE THE DEBT CEILING

accounts for nearly one quarter, or 23.8 percent, of GDP.

- The national debt in 2006 stood at approximately \$8.5 trillion, we are now over \$14 trillion in debt (over \$100 trillion if we count unfunded liabilities).

3. We have been warned to stop the reckless spending.

- Moody's and Standard & Poor's have [warned us](#) that our credit rating will be downgraded if we do not control our debt.
- If the nation's credit rating goes down, borrowing money becomes more expensive, making our existing debt crisis even worse.
- China issued a statement, as our primary lender, saying that the [US must rein in spending](#) – now – or face severe austerity measures suddenly.

4. We don't have to reinvent the wheel on spending.

- It would take about [\\$750 billion in spending cuts](#) by the end of this fiscal year (ending September 30) to get us back to 2003 spending levels, which would allow us to avoid default and pay for the rest of government, all without raising the debt ceiling or increasing taxes.
- The Federal Government holds more than [\\$1 trillion in highly liquid assets](#) that should be sold to the private sector, and doing this now would allow the cuts to be phased in more slowly.
- If we even rolled spending back to the Clinton-era budget we could make our obligations without raising the debt ceiling or increasing taxes.
- America's politicians have a spending problem NOT and revenue problem. There is [no reason](#) to raise taxes or the debt ceiling *except to grow government*.

5. A rising national debt hinders jobs and the economy.

- Once the size of government, and its spending, increases, [economic growth falls](#).
- Government spending [failed to create economic growth](#) when tried in the 1930's, '60's and '70's.
- Every dollar spent by the federal government is money [taken from the private sector](#).
- The International Monetary Fund (IMF) [cut the US growth forecast](#) and warned of a looming debt crisis. With little growth, unemployment will remain high.
- Since February 2009 there are [2.3 million fewer people employed](#) while government spending has increased by 19% since 2008. Raising the debt ceiling means increased spending means less jobs.

PERIOD.

1. We won't default if we prioritize our spending.

- Tax revenues for this year are projected to be around \$2.2 trillion.
- Interest payments for this year amount to approximately \$300 billion.
- If we pay the interest first, that leaves us with about \$1.9 trillion to spend on our most important priorities, and [we avoid a default](#).
- If we enact Senator Toomey's Full Faith and Credit Act ([S. 163](#)) directing the Treasury to pay principal and interest on the debt held by the public before all other obligations it would ensure that the nation does not default.

2. If they raise it, they will spend it.

- The debt ceiling has been raised 10 times in 11 years. In fact, since Congress enacted the first debt limit it has never failed to raise it. (<http://www.whitehouse.gov/omb/budget/Historicals>)
- The federal government spends more per second than the average family brings home in income per year.
- Since World War II, government spending, on average, accounted for around one fifth, or 19.6 percent, of GDP. Today, federal spending



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